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FY 2014 Senior Executive Service (SES) Performance Management Training

HC-40

February 2014

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Overview Performance Management



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Overview Key Features

- **Five Critical Elements based on the 5 Executive Core Qualifications (ECQs) with Government-wide performance requirements**
- **Weighting for all elements ensuring accountability for demonstrating leadership skills**
 - 40% weight required for Results Driven
- **Five-Level rating** system in all Federal agencies
 - Established performance standards for each rating level
 - Standard numerical rating derivation formula
- **Clear, descriptive performance standards and rating score ranges that establish mid-level ratings as the norm and top-level ratings as truly exceptional**
- **Two progress reviews**
- **Mandatory summary rating narrative**, promoting richer feedback for SES

- **Appraisal Period**
 - 1 Oct thru 30 Sep
- **Minimum Performance Period is 90 days**
- **Approve Performance Plan**
 - As close as possible to the start of the appraisal period
- **Progress Reviews**
 - Two feedback sessions required (March and July)
- **Initial Summary Rating**
 - Provided by Rating Official and endorsed by Reviewing official
 - No later than (NLT) 3 weeks from the end of the appraisal period
- **Final Annual Rating approved by DOE's Deputy Secretary**

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Planning Performance



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Planning Performance

- **Three important aspects to planning performance include:**
 - Link performance plan to organizational goals
 - Develop Results Driven performance requirements
 - Consult with executives on the development of their performance plans
- **Performance plans must clearly link to:**
 - Presidential Orders and Initiatives
 - Mission Statements
 - Strategic Plans
 - Organizational Goals
 - Budgetary Priorities

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Planning Performance Five Critical Elements

Critical Element	Description	Statement
Leading Change	Innovates, integrates, and implements needed change based on the organizational vision, mission and goals	Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors.
Leading People	Two-way communication with the employee and active solicitation of employee feedback	Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals.
Business Acumen	Proper and mission beneficial use of human, financial, material and information resources	Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission.
Building Coalitions	Two-way communication with the customer and active solicitation of customer feedback	Solicits and considers feedback from internal and external stakeholders or customers.
Results Driven	Results-oriented and aligned to mission goals Weighted at 40%	Agencies are given maximum flexibility in establishing requirements for Results Driven Element

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Planning Performance Five Critical Elements

- **Each Critical Element (CE) must have a minimum weight:**
 - **40%: Results Driven CE**
 - **5% - 20%: Each of the remaining 4 CEs**
 - **Flexibility given to organizations to determine weights**
- **Performance Requirements:**
 - **Organizations are given maximum flexibility in establishing requirements for Results Driven CE (3 – 5 objectives)**
 - **Must link to organizational goals**
 - **Remaining 4 elements must use standardized performance requirements**
 - **Mandatory language is preloaded into ePerformance**

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Planning Performance – Measurable Results

- **Executives must develop the performance requirements for their Results Driven element that are clearly linked to organizational goals**
- **Results Driven performance requirements must be comprised of measurable results**
- **Results Driven performance requirements can be stated as either outcomes or outputs**
- **Outcomes are more meaningful (to customers, stakeholders and the public) than outputs, which tend to be more process-oriented or means to an end**

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Planning Performance – Measurable Results

- **Results Driven performance requirements must include credible measures with targets of performance.**
 - **Metrics that are used to gauge program performance; output or outcome measures**
- **Effective performance measures indicate:**
 - **How well the executive is doing**
 - **If the executive is meeting goals**
 - **If customers are satisfied**
 - **If processes are within statistical controls**
 - **If and where improvements are needed**

- **Quantity**
 - Number of products or services provided, or a production quota to be met, or percent to be achieved
 - Consider the customer/stakeholder needs for numbers achieved or produced
- **Examples of Quantity Measures:**
 - Backlog reduced by 50-55%
 - An average of 100 cases resolved per month over the year
 - A 60-75% increase in stakeholder use
 - The percentage of lead in the water is reduced by 10-15%

- **Quality**
 - Address the level of excellence of the achievement, to include accuracy, appearance, customer satisfaction, relevance, usefulness, functionality, and/or effectiveness
 - Consider whether the customer/stakeholder cares about the quality of the result
- **Examples of Quality Measures:**
 - Organization has a 95-97% accuracy rate in case completion
 - Program policy supports the administration's initiative
 - Policy incorporates stakeholder feedback
 - 70-80% customer satisfaction rate within organization

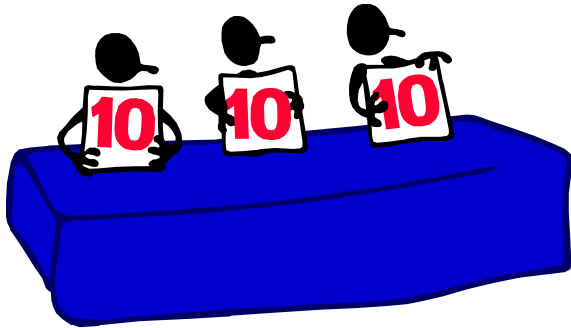
- **Timeliness**
 - Timeframe or deadline for the result
 - Consider whether customers/stakeholders care when a result is achieved
 - Consider whether it is important to accomplish a result by a certain time or date
- **Examples of Timeliness Measures:**
 - Results achieved by 1 June
 - Project meets quarterly milestones
 - By established deadlines

- **Cost-Effectiveness**
 - How much savings or cost controls
 - Important for Government accountability
 - Must be able to document and measure
 - Consider whether it is important to complete work or produce results within certain cost constraints
- **Examples of Cost-Effectiveness Measures:**
 - Reduced expenses by 1 - 3% while maintaining quality
 - Reduced waste by at least 5% while maintaining quality
 - Completed project within 5% of budget without exceeding budget

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Planning Performance – Measurable Results

If the measure is more descriptive than numeric, the performance result must include:



Person or group that could judge performance (e.g. customers, stakeholders, supervisor)



Factors that the judge would expect in performance



What the judge can observe and report to verify the performance level achieved

- **For each result identified for the Results Driven element (output and/or outcome), ask**
 - **How can the [quantity, quality, timeliness, or cost-effectiveness] of the result be measured?**
 - **Is there a number or percent that can be tracked? If not, who can determine that the performance result met expectations and what are the factors that person would look for?**
- **Pre-determined agency High Priority and Strategic Goals can help answer these questions**

- Key points when developing performance requirements for the *Results Driven* element:
 - DON'T list tasks and activities (e.g., hold five meetings; visit eight field locations)
 - DO identify the desired outputs, outcomes
- If you're having difficulty turning an activity into a measureable output or outcome, try this trick to getting your thoughts moving in the right direction... Just fill in the blanks in the following:

I will (do what?) by (when?) resulting in
_____, and my success can be verified using
_____.

- **Writing Requirements and Guidance**
 - **Measurable standards must be written at the “fully successful level”**
 - **Avoid writing standards that have no room to exceed expectations**
 - **Ensure standards are written at the executive level and are challenging enough (e.g., I will attend 7 meetings)**
- **S.M.A.R.T. Framework**
 - **Performance requirements should be:**
 - **Specific**
 - **Measurable**
 - **Aligned**
 - **Realistic**
 - **Timeframe-bound**

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Monitoring and Developing Performance



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Monitoring & Developing Performance Progress Reviews

- **Performance feedback should be given on a regular basis throughout the appraisal period, but two progress reviews are required**
 - **First progress review occurs in March**
 - **Second progress review occurs in July**
 - **Must be documented in ePerformance**
 - **If an employee is failing to meet expectations, he or she must receive specific feedback on what needs to be improved in order to meet expectations**

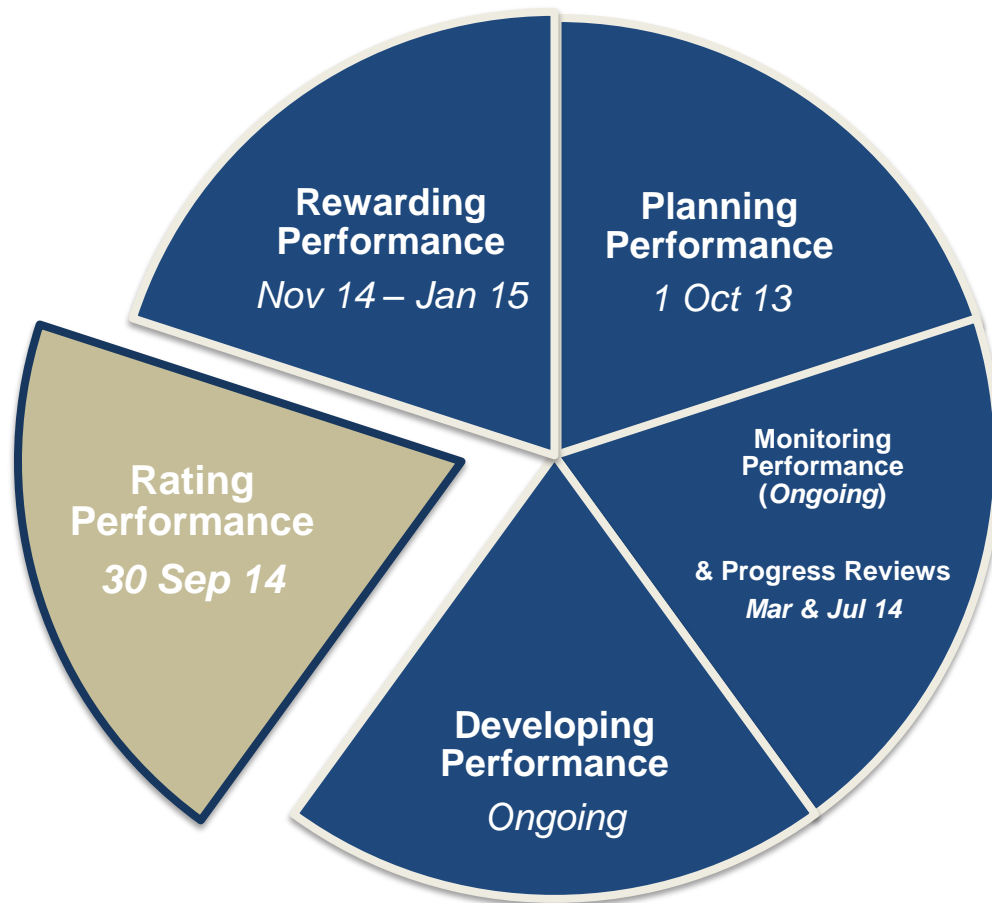
- **Review Performance Standards Part V, of the Performance Plan and Appraisal Form**
 - **Critical Elements 1- 4**
 - **Note: All executives have the same language for these elements**
 - **Critical Element 5 (Results Driven)**
 - **Specific to individual/organization**
 - **Progress reviews (*appraisal time only*)**
 - **Executive's accomplishment narrative (*appraisal time only*)**
- **Anticipate potential areas of disagreement and be prepared to articulate your position providing specific examples and facts**
- **Set up a time and place for the meeting that is comfortable for both and allows sufficient time without interruptions**
- **Set the agenda for discussion**

- **Conducting the Meeting:**
 - Summarize the elements of the performance plan and goals established at the beginning of the rating cycle
 - Offer employees the chance to reflect first by asking them how they think the year has gone for them; listen to their answer until they are finished, without interrupting; agree with whatever you can and reframe anything they have said that is overly self-critical
 - Be objective; stick to the facts and provide specific examples of performance strengths and weaknesses
 - Discuss each Critical Element prior to providing the employee with his/her summary rating (*appraisal time only*)

- **Pitfalls to avoid:**
 - **Surprises** – there should be no surprises for the employee during the performance review conversation
 - **Halo and horns effect** – in which everything discussed in the meeting involves positive and negative recent events
 - **Damaging morale/relationship** – Feedback that is not balanced and delivered with respect for the person's dignity will destroy trust and result in defensive behavior and withdrawal
 - **Failing to address performance problems**
 - **Losing focus and getting drawn into an unproductive debate**

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Rating Performance



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Rating Performance Rating Level Descriptions

Five rating levels with standard numeric identifiers to provide consistency and numerical scoring for summary rating, ranging from 1 (lowest) to 5 (highest)

Used for CEs 1- 4

Critical Element Rating Levels	Description	Rating Score
Outstanding	The executive demonstrates exceptional top-level performance in fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide.	5
Highly Successful	The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities.	4
Fully Successful	The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results.	3
Minimally Satisfactory	The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives.	2
Unsatisfactory	In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives.	1

The Results Driven CE rating will be derived using rating level criteria below:

Critical Element Rating Levels	Description	Rating Score
Outstanding	All performance requirements are rated Outstanding, as defined by Level 5 on previous slide.	5
Highly Successful	A majority of the performance requirements are rated at least Highly Successful, with none below the Fully Successful level, as defined by Level 4 on previous slide.	4
Fully Successful	A majority of the performance requirements are rated at least at the Fully Successful level, with none below the Fully Successful level, as defined by Level 3 on previous slide.	3
Minimally Satisfactory	One or more of the performance requirements in the element were performed at the Minimally Satisfactory level, as defined by Level 2 on previous slide.	2
Unsatisfactory	One or more of the performance requirements in the element were performed at the Unsatisfactory level, as defined by Level 1 on previous slide.	1

- Initial Rating Level for each element is multiplied by the designated weight
 - Initial sum for each element is added to compose total score

*EXAMPLE	Rating Level		Score	Final Rating Level Derivation Formula		
Critical Element	Initial Element Rating	Weight	Initial Point Score			
1. Leading Change	4	20	4 x 20 = 80	475-500	Level 5	Outstanding
2. Leading People	5	10	5 x 10 = 50			
3. Business Acumen	3	20	3 x 20 = 60	400-474	Level 4	Highly Successful
4. Building Coalitions	4	10	4 x 10 = 40	300-399	Level 3	Fully Successful
5. Results Driven	4	40	5 x 40 = 200	200-299	Level 2	Minimally Satisfactory
	Total	100	430	Any CE rated Level 1 = Level 1		Unsatisfactory

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Rating Performance – Rating Official Responsibilities

- **Appraise executives realistically and fairly**
- **Make meaningful distinctions in performance**
- **Discuss overall performance and Initial Summary Rating**
- **Quantify results and impact of executive's performance**
- **Do not discuss performance payout information (i.e. pay adjustments or performance awards) until approved by the Appointing Authority**

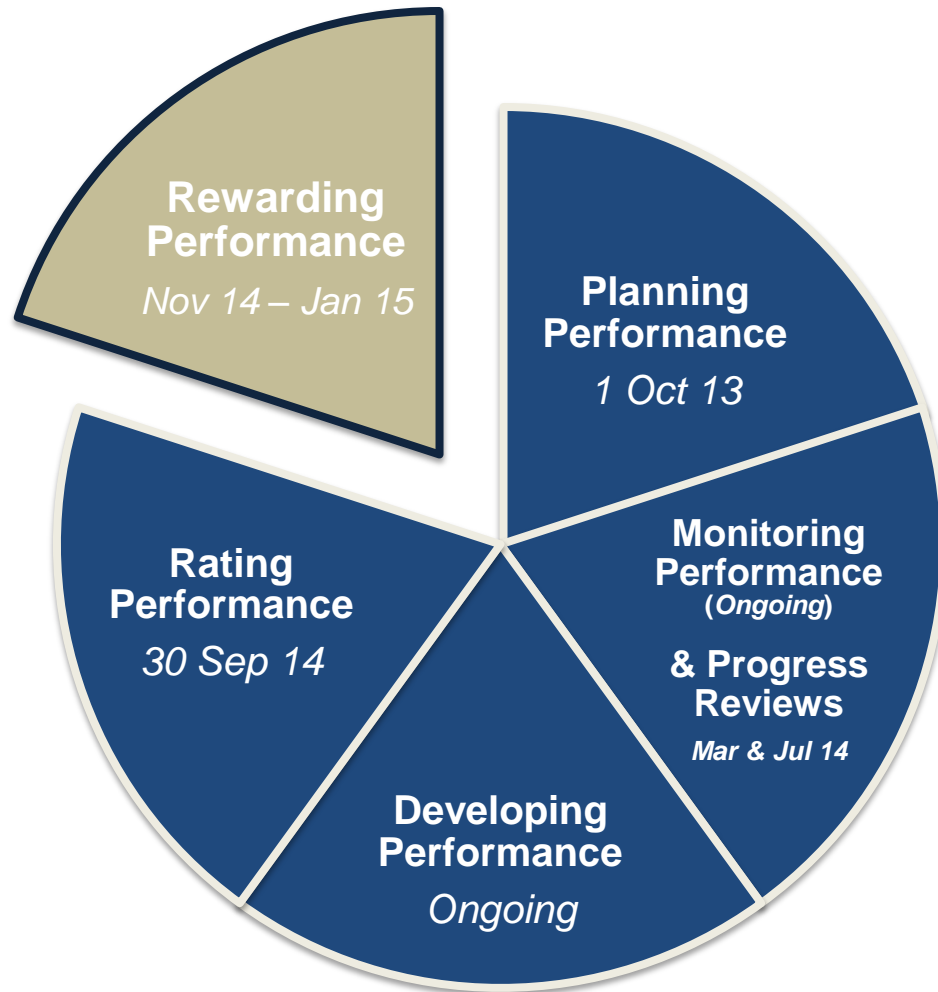
Seven Tips for Writing Accomplishment Narratives:

1. Address each performance element individually and focus on results achieved
2. Use key words (but not jargon) to clearly link to the level of performance demonstrated
3. Focus and prioritize achievements
 - Describe the conditions under which you achieved your accomplishments
 - If you overcame challenges, describe them
4. Write in the past tense
5. Write in first person (e.g., “I”, “me”, “my”)
6. Describe why your accomplishments matter (impact)
7. Be succinct

- After receiving their Initial Summary Rating (ISR), an executive may request, in writing, a Higher-Level Review (HLR) within 7 calendar days of receipt
- Higher Level Review Official (HLRO) must respond, in writing, HLRO provides findings and recommendations to the executive, Rating Official, Performance Review Board (PRB), and Appointing Official
- HLRO cannot change the Rating Official's ISR but may recommend a different rating to the PRB and Appointing Official
- An executive may not grieve any performance plan, appraisal, final performance rating, performance score, percentage allocation, adjustment in basic pay, the non-receipt of a performance bonus, or the amount of a performance bonus

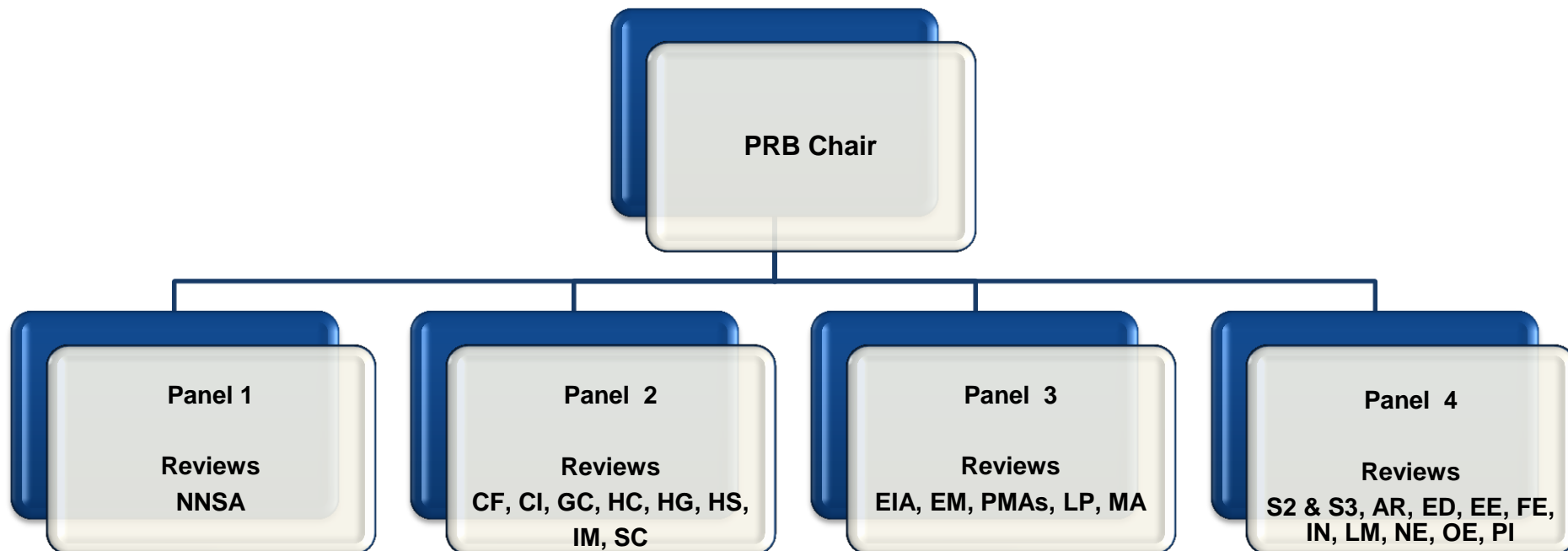
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Rewarding Performance



- Reviews and evaluates the Executive's appraisal and ISR (i.e. the overall rating and written assessment)
- If applicable, reviews Executive's request for HRL and HLRO's findings and recommendations
- Makes written recommendations to the Appointing Official on:
 - Annual summary ratings
 - Pay increases and performance awards
- Ensures meaningful distinctions in executive performance and payout decisions are made based on individual and organizational performance
- PRB Chair addresses any concerns directly with the appropriate assistant secretaries or equivalent
- SMRB performs a review and addresses any concerns identified by the PRB

- The PRB is headed by a Chair person and is comprised of four separate panels each with four members
 - One of the four members serves as the panel chair
- Each panel has responsibility for reviewing the initial rating and award recommendations for all SES of assigned organizations.



- **Delegated to DOE's Deputy Secretary**
- **Considers PRB recommendations to assign Annual Summary Ratings**
- **Considers PRB recommendations for pay adjustments and performance awards**
- **Ensures pay increases and performance awards accurately reflect and recognize individual performance and contribution to the DOE mission**
- **Understands the assessment of the organizational performance (overall and with respect to each of its particular missions, components, programs, policy areas, and support functions)**
- **Communicates assessment results and evaluation guidelines**

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BACKUP SLIDES

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Five Critical Elements

- **Leading Change:**
 - Balances change and continuity
 - Innovates, integrates, and implements needed change based on the organizational vision, mission and goals
- **Leading People:**
 - Rigorous performance management of subordinates
 - Equal employment opportunity (EEO), affirmative action and diversity
 - Two-way communication with the employee and active solicitation of employee feedback
 - Use of employee feedback to inform decisions

- **Business Acumen:**
 - Use of technology to enhancing process and decision making
 - Proper and mission beneficial use of human, financial, material and information resources
- **Building Coalitions:**
 - Two-way communication with the customer and active solicitation of customer feedback
 - Use of customer feedback to inform decisions
 - Development of professional networks
- **Results Driven:**
 - Results-oriented and aligned to mission goals
 - Weight of 40 percent; more than any other performance element